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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

October 10, 2007

Mr. Benson
Progressive Contracting, Inc.
P. O. Box 1930
St. George, Utah 84771

Subject: Approval of permit transfer and Permit to Commence Small Mining Operations,
Progressive Contracting Inc., Dry Creek Mine, S/021/041, Iron County, Utah

Dear Mr. Benson:

The Division finds your notice of intention (Notice) complete and approves the reclamation surety for the Dry Creek mine. You are now permitted to conduct small mining operations as outlined in the Notice provided you have written approval from any other appropriate agency.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Permit fees are due July 30.
- Annual reports are due by December 31st.
- The reclamation surety will be reviewed every 3 years.
- The Division request that the disturbed area boundary (including assess/haul roads) be marked with metal T-posts to identify the area permitted for mining.

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Progressive Contracting, Inc.
S/021/041
October 10, 2007

The Division's web page at <http://ogm.utah.gov/> under the Mining Program has a link to the rules you are expected to operate under and other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number M0350030. If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Paul Baker at 538-5261. Best wishes with your mining venture.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is written in a cursive style with a large, stylized "S" and "W".

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:BE:pb
Enclosure: Copy approved of RC & surety forms
P:\GROUPS\MINERALS\WP\M021-Iron\S0210041-DryCreekMine\final\app1010.doc



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
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Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

*Copy of Previous
Approval -*

December 8, 1997

Mr. York Jones
228 South 800 West
Cedar City, Utah 84720

*801-538-5258
Susan White*

Re: Request for Confirmation of Permit Completeness, Small Mining Operation Notice of Intention, All Gypsum Corporation, Dry Creek Mine, S/021/026, Iron County, Utah

Dear Mr. Jones:

Thank you for taking the time to accompany me on a site inspection of the Dry Creek Gypsum mining project area on December 3, 1997. On December 5, 1997 you called me and asked if I would send a follow-up letter confirming our determination of completeness and adequacy for the small mining operation notice of intention (NOI) filed by Mr. Jim Fain of All Gypsum Corporation for the Dry Creek Gypsum Project. It is my understanding that you recently met with local county zoning and planning officials who had questions regarding our acceptance of the mining permit application. The county attorney also had questions regarding the state's reclamation bonding requirements for your operation. I will address each of these questions/concerns in order below.

1. By statute and rule, the filing of a small mine permit application with our agency does not require a formal approval, only a finding of completeness. Once the application is reviewed and determined to meet the minimum informational requirements of our rules, we then forward a letter of completeness to the applicant/operator. Mr. Fain's application was determined to be complete and adequate by letter dated November 7, 1997.
2. Reclamation bonding for a small mining operation (5 or less acres of surface disturbance) is not authorized by state mining statute or the interpretive rules. Operations which exceed five (5) acres of surface disturbance are categorized as large mining operations and reclamation bonding is required. Our agency has no authority to require or hold a reclamation surety for a mining operation until it exceeds the five (5) acre threshold.

I hope this letter adequately addresses the concerns you raised over the telephone on December 5, 1997. Best wishes for a successful mining venture.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Mineral Regulatory Program

jb
Enclosure (inspection memo)
cc: Jim Fain, All Gypsum Corp.